

Message Text

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ORIGIN EB-07

INFO OCT-01 ARA-10 EUR-12 EA-07 ISO-00 TRSE-00 SP-02

USIA-06 AID-05 NSC-05 EPG-02 SS-15 STR-04 OMB-01

CEA-01 L-03 H-01 IGA-02 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 XMB-02 OPIC-03 /099 R

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P 180104Z JUN 77

FM SECSTATE WASHDC

TO AMEMBASSY THE HAGUE PRIORITY

AMEMBASSY BRUSSELS PRIORITY

AMEMBASSY OTTAWA PRIORITY

AMEMBASSY STOCKHOLM PRIORITY

INFO AMEMBASSY BERN PRIORITY

AMEMBASSY BONN PRIORITY

AMEMBASSY CARACAS PRIORITY

AMEMBASSY COPENHAGEN PRIORITY

AMEMBASSY DUBLIN PRIORITY

AMEMBASSY LONDON PRIORITY

AMEMBASSY OSLO PRIORITY

AMEMBASSY PARIS PRIORITY

MEMBASSY ROME PRIORITY 7620

AMEMBASSY TOKYO PRIORITY

AMEMBASSY VIENNA PRIORITY

AMEMBASSY LISBON PRIORITY

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USEEC AND EMBASSY, USOECD AND EMBASSY

(C O R R E C T E D C O P Y FOR OMMISSION OF PORTION OF CAPTION)

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E.O. 11652: N/A

TAGS: EFIN, PO, BE, CA, SW

SUBJECT: FINANCIAL ASSISTANCE FOR PORTUGAL

1. OF POTENTIAL PARTICIPANTS IN THE PORTUGUESE LENDING GROUP, HOST GOVERNMENTS OF ACTION ADDRESSES APPEAR TO BE THE MAJOR ONES HAVING CONSIDERABLE DIFFICULTY REACHING A POLITICAL DECISION TO PARTICIPATE. WE THEREFORE BELIEVE IT WOULD BE HELPFUL FOR ACTION ADDRESSEES TO APPROACH HOSTS ONCE MORE AT A HIGH LEVEL TO DISCUSS THE ANTICIPATED OUTCOME OF THE JUNE 22 MEETING AND THE ELEMENTS OF FLEXIBILITY WE WILL BUILD IN TO BE AS HELPFUL AS POSSIBLE TO THE HOST GOVERNMENTS.

2. THE US BELIEVES THAT THE MINIMUM OUTCOME WHICH IS POLITICALLY ACCEPTABLE AT THIS SECOND MEETING IS A DECLARATION THAT PARTICULAR COUNTRIES INTEND TO PARTICIPATE IN THE PROPOSED INTERNATIONAL LENDING EFFORT. ANYTHING LESS WOULD LIKELY BE INTERPRETED BY THE PRESS AND PUBLIC, ESPECIALLY IN PORTUGAL, AS A FLOUNDERING OF THE ENTIRE EFFORT, AN OUTCOME THAT COULD SERIOUSLY UNDERMINE THE SITUATION IN PORTUGAL.

3. WHILE A FEW COUNTRIES HAVE NOT YET SETTLED DEFINITELY THE AMOUNT AND FORM OF THEIR CONTRIBUTION, IT NOW APPEARS THAT MOST WILL HAVE MADE A PRECISE COMMITMENT BY JUNE 22. WE BELIEVE, THEREFORE, THAT PARTICIPANTS AT THE MEETING WILL WISH TO ANNOUNCE A LIST OF THE COUNTRIES THAT INTEND TO PARTICIPATE IN THE LENDING EFFORT AND INDICATE THE EXPECTED TOTAL MAGNITUDE OF THE EFFORT. THE AMOUNTS OF INDIVIDUAL CONTRIBUTIONS WOULD NOT BE CITED. FYI. WE ANTICIPATE A TOTAL BETWEEN 700 AND 800 MILLION DOLLARS. END FYI.

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4. SUCH A DECLARATION WOULD REFLECT THE STRONG POLITICAL COMMITMENT OF PROSPECTIVE PARTICIPANTS AND THE FIRM PROGRESS OF THE INTERNATIONAL LENDING ARRANGEMENT. AT THE SAME TIME IT WOULD ALLOW ACTION ADDRESSEES' HOSTS TO ASSOCIATE THEMSELVES WITH THE LARGER GROUP (I.E. BE IN THE LIST) ON THE BASIS SOLELY OF A POLITICAL INTENT TO PROVIDE A BALANCE OF PAYMENTS LOAN. THEY ONLY NEED HAVE (1) DECIDED TO MAKE A LOAN AND (2) MADE A JUDGMENT THAT THE INDICATED TOTAL FROM THE GROUP AS A WHOLE IS ATTAINABLE. THEY NEED NOT REPEAT NOT YET HAVE DETERMINED HOW MUCH THEY WOULD LOAN SINCE INDIVIDUAL COUNTRY CONTRIBUTIONS WOULD NOT BE CITED. NATIONAL PROBLEMS REGARDING THE MECHANISM OF PARTICIPATION COULD BE RESOLVED AFTER THE JUNE 22 MEETING.

5. THESE LAST TWO POINTS OF FLEXIBILITY (NO DECISIONS NEEDED YET AS TO AMOUNT OR MECHANISM OF LENDING) HOPEFULLY WOULD ENABLE ACTION ADDRESSEES' HOSTS TO BE LISTED IN THE ANNOUNCEMENT ON THE SAME BASIS AS THOSE LENDERS WHO ALREADY

WILL HAVE SETTLED THE AMOUNT AND MODE OF THEIR ASSISTANCE
BY JUNE 22.

6. REGARDLESS OF ACTION ADDRESSEES' REACTION TO THE PRO-
POSAL IN PARAGRAPH 3, WE STILL HOPE THEY WILL ATTEND.
OUR OBJECTIVE IS TO FIND A FORMULATION FOR THE GENERAL OUT-
COME OF THE JUNE 22 MEETING THAT WILL ALLOW ALL PARTICI-
PANTS TO BE ASSOCIATED WITH THE HIGHEST POSSIBLE LEVEL OF
SUPPORT FOR PORTUGAL THAT THE MEETING CAN CONFIRM. FOR
EXAMPLE, IF ACTION ADDRESSEES' HOSTS STILL FEEL UNABLE TO
BE INCLUDED IN THE LIST OF LENDERS IN THE ANNOUNCEMENT,
IT MIGHT BE POSSIBLE TO SHOW THEIR GENERAL SUPPORT BY
SAYING "OTHER COUNTRIES AT THE MEETING STILL HAVE THE
MATTER UNDER SYMPATHETIC STUDY".

7. CARACAS, LONDON, VIENNA SHOULD CONTINUE TO ENCOURAGE
FIRM COMMITMENTS FROM HOSTS AT JUNE 22 MEETING, AND REPORT
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STATUS OF HOST GOVERNMENT DECISIONS.

8. POSTS SHOULD INCLUDE TREASURY ATTACHE, DYCHE, PARIS AS
ADDRESSEE ON FUTURE COMMUNICATION ON THIS SUBJECT THROUGH
JUNE 22. VANCE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, FUND ALLOTMENT, FOREIGN ASSISTANCE
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Format: TEL
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Handling Restrictions: n/a
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ISecure: 1
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Litigation Codes:
Litigation History:
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Status: NATIVE
Subject: FINANCIAL ASSISTANCE FOR PORTUGAL
TAGS: EFIN, PO, BE, CA, SW, NL
To: THE HAGUE BRUSSELS MULTIPLE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/b26a827a-c288-dd11-92da-001cc4696bcc
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